

EXECUTIVE SUMMARY

Introduction/ Purpose of Applications

Hospital Site in Grayhawk Master Plan

- At the inception of master planning for Grayhawk in the early 1990's, Scottsdale Healthcare worked closely with the developers to incorporate a community hospital campus into the Grayhawk community. Scottsdale Healthcare saw the amount of growth that was projected for the north Scottsdale area and worked proactively to integrate a site into the fabric of this community well ahead of the development of any residential homes (Zoning Case No. 46-90).
- Although the hospital would not be needed for another 10 years until the projected population was in place, Scottsdale Healthcare paid the cost to install the 50 feet deep landscape buffer around the perimeter of the property so that it could mature as the residential homes were built until time for development of the community hospital and related medical office buildings arrived.



Hospital Use Permit Approval

- In the mid 1990's, Scottsdale Healthcare obtained from the City of Scottsdale use permit approval (21-UP-95) of conceptual designs for a hospital and related medical buildings. The first medical office building on the campus was approved by the City in Case No. 81-DR-98-2 and constructed on the east side of the campus site in 1999. The second building, just north of the first building, was built in 2001.
- Last year, in recognition of the swift growth in the hospital service area, Scottsdale Healthcare asked the Hammes Company to lead its team of executives through the formal hospital planning process to lay the business and planning design groundwork and move forward with the development of this community hospital.
- The study included the following major components: market analysis, strategic recommendations, volume and demand projections, space program and campus master plan.

- The study was concluded, the approved conceptual designs for the hospital and related medical buildings have been finalized and it is now time to move forward with this long awaited community hospital.

- ***The purpose of this application is to:***

1) Rezone the commercial C-2 portion of the hospital parcel (3.74 ac.) to C-O PCD zoning;

2) Apply the previous hospital use permit approval (21-UP-95) to those 3.74 acres of the hospital parcel; and

3) Obtain approval of amended development standards for building volume, FAR and open space based upon specific plans for the hospital campus. The amended standards are the direct result of the building being a hospital and the transition landscape buffers installed at the request of the neighborhood.



*Are To Be Rezoned
from C-2 to C-O*

- This community level hospital is an outstanding addition to this general area both in terms of the needs it addresses (i.e., the services it provides) but also aesthetically being designed consistent with the Grayhawk themes.

Thompson Peak Campus Planning

- The Thompson Peak campus is located just east of the northeast corner of Scottsdale Road and E. Thompson Peak Parkway. The site consists of 20.95 acres spread across 5 separate parcels.

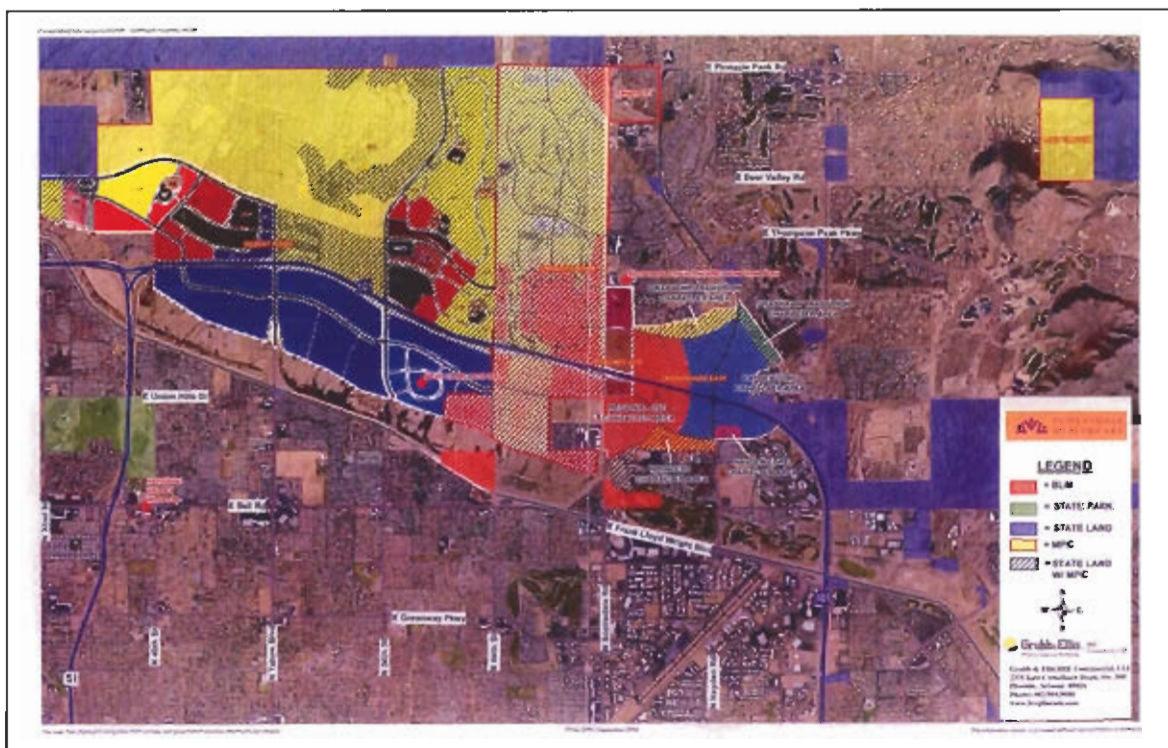


- Market inpatient volume projections were derived by applying historical use rates for the services intended to be provided on the Thompson Peak campus to the estimated population in the service area. Thompson Peak's inpatient volumes were then forecasted by assuming certain annual market share targets. Outpatient volume projections for the Thompson Peak campus were based on Scottsdale Healthcare's historical volumes from the Thompson Peak service area.

- The first phase of the hospital will provide 128 beds with related services. While the timing of subsequent phases will hinge upon demand for services, it was determined that at full "built out" the campus will include up to 184 beds along with all necessary supporting ancillary services.
- The targeted opening date for the Thompson Peak campus is December 2007.

CONFIRMATION OF MARKET

- The primary service area for the Thompson Peak campus was defined by evaluating four interrelated factors: geographic proximity, natural boundaries, transportation patterns and other hospital locations.
- Population growth, as depicted by the graphic below, was by far the major impetus for Scottsdale Healthcare considering development of the Thompson Peak campus in the first place and population growth in the vicinity has exceeded all expectations.
- Population forecasts in the Thompson Peak service area indicate growth rates of greater than 6% annually between now and 2010 followed by continued strong growth rates of more than 4% annually between 2010 and 2015. Such growth rates will increase the population in Thompson Peak's service area from approximately 100,000 current residents to 200,000 people by 2015.
- Given the rapid population growth and Scottsdale Healthcare's strong market position, Hammes Company and Scottsdale Healthcare jointly concluded that now is the time to move forward.



HOSPITAL PROGRAM

Building off of the bed demand and operating room requirement analyses, Hammes Company developed a complete hospital program for the Thompson Peak campus. The hospital program was developed with two purposes in mind. One, the program served as a foundation for creating the site and floor plans. Two, the program was created to establish overall space allocation parameters for the architect. The space program is in effect a management tool that will be used to guide the architect in its design efforts.

Hospital Program – Guiding Principles

In translating the population projections into bed need and ancillary support services into a space program, Hammes Company relied upon a series of guiding principles developed jointly by Hammes Company and Scottsdale Healthcare. These guiding principles were established to help ensure creation of a space program that balanced fiscal responsibility, operational efficiency and design aesthetics:

- ✓ The TP campus is to be a full service community based hospital, including inpatient, outpatient, emergency and other customary ancillary services.
- ✓ The hospital program must strike a proper balance between aesthetics, functionality and efficiency.
- ✓ The facility should be appropriate for the population being served in line with consumer expectations.
- ✓ Opportunities to provide non-acute care services in on-campus medical office buildings rather than in the main hospital facility should be explored.
- ✓ The program must address medical office space needs in addition to the main hospital space.

Space Allocation

Implementation of the hospital will occur in three phases, allowing for the gradual expansion of the Thompson Peak campus. The square foot totals for Phase I of the project are as follows: approx. 128 bed hospital. Subsequent phases will add an additional 56 beds for a total of 184 beds and 48,000 SF of medical office space on Parcel 2. These figures include additional medical office building planned for development on the outside of the main hospital ring road.

MASTER PLAN

Site Analysis

Prior to test fitting the hospital program on the Thompson Peak campus, Hammes Company completed an analysis of the project site. This analysis revealed both limitations and opportunities, a few of which are listed below:

Site Description

The Thompson Peak campus is located on the northeast corner of N. Scottsdale Road and E. Thompson Peak Parkway. The site consists of 20.95 acres spread across 5 separate parcels as indicated below.



Site Characteristics

- The site is bordered to the North and East by single-family residential properties.
- The overall site is split by a ring road – North Scottsdale Healthcare Drive.
- The site can currently be accessed from East Thompson Peak Parkway and N. Scottsdale Road.
- Access from N. Scottsdale Road is across another owner's property via a cross access agreement.
- The topography of the site drops approximately 16' from north to south.
- Two medical office buildings exist on the site (more specifically on parcel 3).

Site Evaluation Findings & Observations

The site was evaluated from three perspectives: development limitations, site opportunities and phasing.

Planning Limitations

- The site is subject to a 48' height restriction, which limits the hospital to three above-grade levels.
- A 50' landscape buffer is required on the north and east sides of the site between the homes and the campus.

Planning Opportunities

- The north to south topographic slope lowers overall height of hospital.
- The site has multiple potential access points, which will help with campus circulation (e.g. separate ambulance, ambulatory service, delivery, staff entrances).
- Adequate parking can be accommodated on site.

Conceptual Site & Floor Plans

After developing a hospital program and evaluating the Thompson Peak site, Hammes Company focused on designing a series of master facility planning alternatives. These alternatives were meant to "test fit" the program on the site and intended to explore different design concepts relative to project phasing, parking, campus circulation, functional adjacencies and stacking and massing.

Facility Objectives

- Allow for horizontal expansion of key project elements including bed units, emergency department, operating suites and imaging rooms.
- Keep the helicopter pad as far away as possible from residential neighborhoods.
- Create distinct entrances for emergency services, deliveries, the main hospital lobby and outpatient services when possible.
- Connect the medical office building to the main hospital when possible to increase the productivity of physicians and the operational efficiency of the hospital staff.

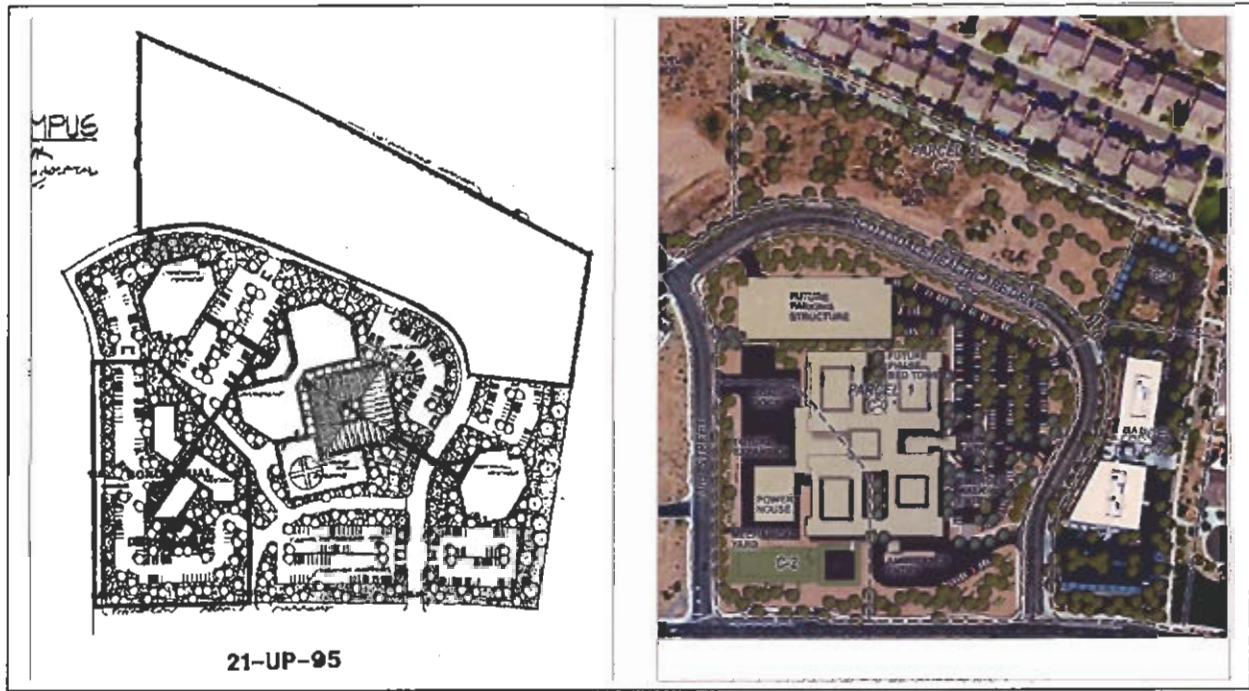
Parcel 1-Hospital

In 1992, when the Grayhawk master plan was approved and later in 1995 when the use permit for the hospital campus was approved, no building elevation designs of the hospital were available. A conceptual layout depicting the relationship of the proposed hospital in the campus and surrounding area was submitted as part of the use permit application for context and perspective only. Over the past decade, the Grayhawk master plan has developed and the architectural theme established for the area. The proposed elevation designs for the hospital reflect that character.



Perspective of Community Hospital w/o Full Landscaping

The hospital is now positioned in the campus farther away from the neighborhood than originally envisioned. This is the result of extensive input from the Grayhawk community who is supportive of the community level hospital concept.



- The hospital building itself is a 3 level design having a gross floor area of 316,000 sq. ft. that is sited as far south and west as possible. Relative to the average height of most valley hospitals, this hospital is set much lower at only 48 ft. from base to roof.
- All of the hospital's required parking will be provided on the hospital parcel.

Several amended standards, (please refer to the application forms for specific details), are being requested to accommodate the unique circumstances of this site and the hospital design.

- The overall campus complies with all regulations/requirements except that the hospital parcel itself (Parcel 1) is: 1) short by 1% on open space; 2) slightly over on FAR; and 3) over on building volume. Again, if these standards are applied on a campus basis (Parcels 1-3), all standards are met. The reason for the higher building volume and FAR is due to the fact that a hospital must create and secure a clean interior environment which requires that the building, contain many more mechanical facilities inside of the structure than a normal office building and much of these facilities and devices occur between the floors. So, although the hospital building is 3 levels, it is 48 feet high instead of 36 feet in order to accommodate these facility needs.
- The 1% short fall in open space is due to the fact that more building area was placed on the hospital parcel to move building mass away from the neighborhood. In addition, the

commitment by Scottsdale Healthcare years ago to provide and install a 50 feet deep landscape buffer along the north and east property lines actually fixed the location of the internal road and thus the size of the hospital parcel. Otherwise, if the street wasn't built, the street alignment could be adjusted a bit and the standard easily complied with.

- Overall, 34.4% open space is provided while only 29% is required.

Proposed Amended Standards

for
*Scottsdale Healthcare Thompson Peak Campus Parcel 1 (Hospital)
in the Grayhawk PCD*

*Proposed amendments are in bold and underlined.

Justification:

The following amended standards are corollary actions that largely result from an agreement between the Hospital and the master plan developer of Grayhawk that was executed in the mid 1990's. The Hospital agreed with the master plan developer at that time to locate 2 story buildings no closer than 100 feet from the perimeter property lines. A 50 deep landscape buffer and trail were also designated and installed in good faith by the Hospital even though development of the new medical hospital campus was still many years away.

The agreement with the master developer also fixed the location of the loop street such that the density of the medical buildings that could be placed on the parcels outside of the loop street nearer to the neighborhood could not be developed very intensely. These medical office buildings were essentially limited to 2 stories beyond the newly established setback in order to create a less intense buffer of office development between the neighborhood and the future community hospital. Therefore, although the north perimeter parcel is not in the application, the intensity shown on the site plan can not be increased because of the previously mentioned agreements and standards that have been imposed.

When this campus is evaluated from a comprehensive standpoint, the overall campus complies with F.A.R. and open space standards. The campus still exceeds the Building Volume standard principally because of the amount of interior space that has to be designed to house equipment and facilities that both create and ensure a clean environment. Hospitals are unique buildings that require significantly more space between floors and more mechanical equipment be placed within the limits of the building than standard office buildings. It is simply not possible to build a hospital facility using standards designed for an office building. On an overall basis, the comprehensive building volume ratio is approximately 8.5 to 9.1 depending on whether the public street is included.

Sec. 5.2204. Property development standards.

The following property development standards shall apply to all land and buildings in the C-O district:

- A. *Floor area ratio.* In no case shall the gross floor area of a structure exceed the amount equal to **seven**-tenths multiplied by net lot area in square feet.
- B. *Volume ratio.* In no case shall the volume of any structure exceed the product of the net lot area in square feet multiplied by **11.0** feet.
- C. *Open space requirements.*
 - 1. In no case shall the open space requirement be less than fifteen (15) percent of the net lot area for zero (0) feet to twelve (12) feet of height, plus **four**-tenths percent of the total site for each foot of height above twelve (12) feet. Open space as defined in article VI.
 - 2. Open space required under this section shall be exclusive of parking lot landscaping required under the provisions of article IX of this ordinance.
- D. *Building height.* No building shall exceed thirty-six (36) feet in height except that within one hundred (100) feet of any R-1, R-2, R-3, R-4, R-4R or M-H district no building shall exceed twenty-four (24) feet in height and except as otherwise provided in article VII. *NOTE: Hospital building height was approved up to 48 feet in 21-UP-95*

E. *Yards.*

1. Front Yard.

- a. No front yard is required except as listed in the following two (2) paragraphs and in article VII hereof, unless a block is partly in a residential district, in which event the front yard regulations of the residential district shall apply.
- b. A minimum of one-half of the open space requirement shall be incorporated as frontage open space to provide a setting for the building and a streetscape containing a variety of spaces.
- c. Where parking occurs between a building and the street a yard thirty-five (35) feet in depth shall be maintained. This depth may be decreased to a minimum of twenty (20) feet subject to Section 10.402.D.3.

2. Side Yard.

- a. A side yard of not less than fifty (50) feet shall be maintained where the side of the lot abuts a single-family residential district or abuts an alley which is adjacent to a single-family residential district. The fifty (50) feet may include the width of the alley.
- b. A side yard of not less than twenty-five (25) feet shall be maintained where the side lot abuts a multiple-family residential district. The twenty-five (25) feet may include any alley adjacent to the multiple-family residential district.

3. Rear Yard.

- a. A rear yard of not less than fifty (50) feet shall be maintained where the rear lot abuts a single-family residential district or abuts an alley which is adjacent to the single-family residential district. The fifty (50) feet may include the width of the alley.
- b. A rear yard of not less than twenty-five (25) feet shall be maintained where the rear lot abuts a multiple-family residential district. The twenty-five (25) feet may include any alley adjacent to the multiple-family residential district.

F. *Distance between buildings.*

1. There shall not be less than ten (10) feet between an accessory building and a main building or between two (2) main buildings, except that an accessory building with two (2) or more open sides, one (1) of which is adjacent to the main building, may be built to within six (6) feet of the main building.

G. *Walls, fences and required screening.*

1. Walls, fences and hedges not to exceed eight (8) feet in height shall be permitted on the property line or within the required yard areas, except within the required frontage open space, within which they may not exceed three (3) feet in height, or except as otherwise provided in article VII.
2. All mechanical structures and appurtenances shall be screened as approved by the Development Review Board.
3. All storage and refuse areas shall be screened as determined by Development Review [Board] approval.
4. All operations and storage shall be conducted within a completely enclosed building or within an area contained by a wall or fence as determined by Development Review [Board] approval or use permit.

H. *General provisions.* Other requirements and exceptions as specified in article VII.

I. Access. All lots shall have frontage on and have vehicular access from a dedicated street, unless a secondary means of permanent vehicle access has been approved in the development review or subdivision plat.

(Ord. No. 1840, § 1, 10-15-85; Ord. No. 2818, § 1, 10-17-95)

SITE PLAN

SCOTTSDALE HEALTHCARE THOMPSON PEAK HOSPITAL

7400 E. THOMPSON PEAK PARKWAY

OWNER/DEVELOPER

SCOTTSDALE HEALTHCARE
3000 WELLS PARK, SUITE C
SCOTTSDALE, ARIZONA 85251
ATTN: Michael C. Brinkley
PHONE: (480) 875-4133
FAX: (480) 875-4758

ARCHITECT

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2100 WEST END AVENUE
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ENGINEER/SURVEYOR

EVANS, KUHN & ASSOCIATES, INC.
727 E. BETHANY HOME ROAD
SUITE D-225
PHOENIX, ARIZONA 85014
ATTN: John B. Kuhn
PHONE: (602) 241-0782
FAX: (602) 248-9158

Zoning Data Table

1. Zoning		
Existing	Parcel 1 - Hospital Site	CD-PCD w/ Use permit and C2-PCD (Proposed C0 PCD w/ Use permit C0-PCD C0-PCD w/ Use permit
	Parcel 2 - Proposed Medical Offices	
	Parcel 3 - Existing Medical Offices	
2. Required Setbacks		
Parcel 1	Parcel 2	Parcel 3
North - 40'	North - 50'	North - 50'
East - 0'	East - 0'	East - 50'
South - 40'	South - 0'	South - 40'
West - 40'	West - 0'	West - 0'
Parking - 20'	Parking - 20'	Parking - 20'

Summary Site Data Table

Hospital Campus Parcels 1-3		Hospital Site Parcel 1
Provided/Required		Provided/Required
Net Area	19.83	10.56 Ac.
F.A.R.	0.47/0.80	0.89/0.80
Building Height	48/48'	48/48'
Building Volume	9,177,210	11,077,210
Open Space	34.4%/29% Avg.	32%/33%
Front Open Space	84%/50%	78%/50%

Detailed Site Data Table

1. Net Lot Area		
Parcel 1	459,854 SF	
Parcel 2	211,524	
Parcel 3	192,281	
	863,659 SF = 19.83 Ac.	
2. Gross Floor Area		
Allowed = 60% Net Lot Area = 518,195 SF		
Provided		
Parcel 1	Hospital	318,000 SF
Parcel 2	Medical Office	48,000 SF
Parcel 3	Existing Medical Office	68,745 SF
		407,245 SF = 47% F.A.R.
3. Building Heights (MAX)		
Parcel 1	48' Proposed-Hospital	48' Allowed
Parcel 2	24' Parking Garage	48' Allowed
Parcel 3	30' Proposed	36' Allowed
	31' Actual	36' Allowed
4. Building Volume		
Allowed 7.2 X Net Lot Area = 6,218,345 Cu. Ft.		
Provided		
Parcel 1	Hospital 318,000 sf @ 15 feet height	5,068,000 Cu. Ft.
Parcel 2	Garage 100,000 sf @ 12 feet height	1,200,000
Parcel 3	Parcel 3 Per DR Case 81-DR-98-2	720,000
	Total Provided	6,988,000
		7,817,910 = 9.1 Feet Average Ht.
5. Parking		
Parcel 1	Required	Provided
Initial Const.	128 @ 1sp/bed	340
Ultimate	184 @ 1sp/bed	500
Parcel 2	182 @ 4sp/1000 s.f.	200
Parcel 3	187 @ 4sp/1000 s.f.	195
6. Open Spaces		
Required		
Parcel 1 - 48' - 33% Required	151,798 SF	
Parcel 2 - 30' - 24% Required	50,808	
Parcel 3 - Per 81-DR-98-2	51,819	
	254,522 SF (29% Avg.)	
Provided		
Parcel 1	147,198 SF (32%)	
Parcel 2	80,370 (38%)	
Parcel 3 Per 81-DR-98-2	69,621 (38%)	
	297,187 SF 34.4%	
7. Front Open Spaces		
Required - 50% of Open Space	127,281 SF	
Provided		
Parcel 1	118,277 SF (78%)	
Parcel 2	19,326	
Parcel 3 Per 81-DR-98-2	26,075	
	163,680 SF (64%)	
8. Parking Lot Landscape		
Parking Lot Area		
Parcel 1	84,034 SF	
Parcel 2	99,110	
Parcel 3	67,587	
	Total Parking Area	250,731 SF
Required		
Parcel 1	12,805 SF	
Parcel 2	14,866	
Parcel 3 Per 81-DR-98-2	19,138	
	Total Required	37,609 SF
Provided		
Parcel 1	12,867 SF	
Parcel 2	18,065	
Parcel 3 Per 81-DR-98-2	14,947	
	Total Provided	45,880 SF

CURVE	LENGTH	DELTA	RADIUS
C1	28.55	81°47'13"	20.00
C2	31.40	89°57'32"	20.00
C3	31.42	90°00'00"	20.00

LINE	BEARING	DISTANCE
L1	N60°00'53"E	5.00'



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ULTIMATE SITE PLAN
THOMPSON PEAK HOSPITAL
SCOTTSDALE HEALTHCARE
SCOTTSDALE, AZ

REVISIONS

NO.	DESCRIPTION	DATE

DRAWING STATUS:

CONCEPTUAL



DATE ISSUED

7-14-05

DESIGNED BY

JAK

DRAWN BY

JAK

CHECKED BY

JAK

PROJECT NO.

5300

DRAWING NO.

C-1

ULTIMATE SITE PLAN

1 of 1

46-ZN-1990#16

8-1-05

1"=50'
Scale